

Service Date: December 2, 1991

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION)	
OF THE MONTANA POWER COMPANY TO)	UTILITY DIVISION
EXTEND AUTHORITY TO INCUR UP TO)	
\$150,000,000 PRINCIPAL AMOUNT OF)	DOCKET NO. 91.11.54
LONG TERM DEBT IN THE FORM OF)	
MEDIUM TERM NOTES.)	DEFAULT ORDER NO. 5590

1. On November 13, 1991, The Montana Power Company (Applicant), a corporation organized and existing under the laws of the State of Montana, filed with the Montana Public Service Commission, its Application pursuant to Section 69-30-501 through Section 69-3-507 of the Montana Code Annotated (MCA) seeking an order to extend for a period of approximately one year previously granted authority to incur not more than \$150,000,000 principal amount of long term debt through the issuance and sale of Medium Term Notes (MTNs).

2. The Application is supported by exhibits and data in accordance with Commission practice and rules and regulations governing such issuance of securities by public utilities operating within the State of Montana.

3. The Application states that Applicant is a public utility as defined in Section 69-3-101, MCA, in that it furnishes electric and natural gas service in the State of Montana; that Applicant's principal executive office is at 40 East Broadway, Butte, Montana; and that Applicant is duly qualified to do business in the States of Montana, Wyoming, Idaho and Arizona. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to the Application.

FINDINGS

1. Applicant is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

2. Applicant is a public utility as defined in Section 69-3-101, MCA, and is engaged in furnishing electric and natural gas service in Montana.

3. The Commission has jurisdiction over the subject matter of the application under Section 69-3-501, MCA.

4. The Application states that the Applicant intends to incur up to \$27,000,000 of long term debt in the form of Medium Term Notes (MTNs) over the period ending on January 1, 1993. This debt represents the unsold portion of \$150,000,000 of long term debt authorized by Default Order No. 5435.

5. The proceeds from the sale of the Notes will be used by the Applicant to fund its construction program, to refinance MTNs that will mature prior to January 1, 1993, to retire short-term debt, to refinance higher cost long-term debt, and for other corporate purposes allowed under Section 69-3-501, MCA.

6. The Applicant will inform the Commission after each sale of the Notes as to the principal amount of notes sold, the interest rate and any other information with respect to the Notes that the Commission may request.

7. Public notice of this Application was given by its inclusion on the Commission's agenda for November 18, 1991.

8. Applicant furnished complete financial data with its Application in accordance with developed practice of the Commission. The Application sets forth a copy of the appropriate corporate resolution pertaining hereto.

CONCLUSION OF LAW

1. The securities transactions proposed by the Application, as hereinafter authorized, will be for a lawful purpose and are consistent with the public interest, the same are necessary or appropriate for and consistent with the proper performance by Applicant of service as a public utility, and the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant.

ORDER

1. The Application of THE MONTANA POWER COMPANY for an extension to January 1, 1993 of its authority to issue and sell, in one or more public offerings, fixed rate debt in the form of MTNs in the aggregate principal amount of not more than \$150,000,000 is approved.

2. In accordance with Section 69-3-507, MCA neither the issuance of securities by Applicant pursuant to the provisions of this Order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee, in any manner whatsoever, any security authorized, issued, assumed or guaranteed under the provisions of Section 69-3-501 through Section 69-3-507, MCA, inclusive.

Issuance of this Order does not mean acceptance of the Applicant's exhibits or other material accompanying the Application for any purpose other than the issuance of this Order.

DONE IN OPEN SESSION at Helena, Montana this 25th day of November, 1991, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman

BOB ANDERSON, Commissioner

JOHN B. DRISCOLL, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.